

Health and Recovery Services Administration Office of Hospital and Managed Care Rates' Projects of Interest

GAU Managed Care Program finished its pilot year of operation

The GAU managed care program provided by the Community Health Plan of Washington finished its pilot year of operation. CHPW provided primary care and most prescriptions for GAU clients as well as managed care. CHPW is considering accepting full capitation.

Certified Public Expenditure Program

Effective July 1, 2005, Washington State started the first Certified Public Expenditure Program in the nation. The Centers for Medicare and Medicaid Services (CMS) mandated that Washington State stop existing intergovernmental transfers (IGT) programs as of June 30, 2005. IGT programs include Disproportionate Share Hospital (DSH) payments and Upper Payment Limit (UPL) payments that involve making payments to hospitals which are returned to the State for spending by the State. IGT transactions net \$80 million in revenue to the state. This revenue is spent on health care for low income persons who do not meet Medicaid eligibility requirements.

The Legislature and CMS have approved a program to replace IGTs that uses Certified Public Expenditures (CPE) to earn federal Medicaid funds for inpatient claims and DSH payments to certain public hospitals. These hospitals will be required to certify their qualifying expenditures will be used to draw federal Medicaid funds according to the federal rule on the issue, 42 CFR 433.51.

A manual providing information on the structure, operation, and policies and authorization of the CPE program in Washington State. This manual and all related Appendixes can be found at the following address:

<http://fortress.wa.gov/dshs/maa/hrates/Main%20Menu/CPE%20Operating%20Manual%20Final%20-%20200510.pdf>

First Phase of Comprehensive Hospital Reimbursement Study has been Completed

An executive summary of the Inpatient Hospital Study by Navigant is published on the HRSA website. A link to the executive summary is attached. Phase II has begun and will be completed in November of this year. HRSA expects to implement the All Patient Grouper Version 23 when it implements the elements of this study in either the latter part of 2007 or the first of 2008.

Shortcut to:

<http://fortress.wa.gov/dshs/maa/newsdoc/Phase1ReportExecutiveSummary.pdf>